

105TH CONGRESS
1ST SESSION

H. R. 3023

To end American subsidization of entities contributing to weapons proliferation.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 9, 1997

Mr. WELDON of Pennsylvania (for himself and Mr. MARKEY) introduced the following bill; which was referred to the Committee on Intelligence (Permanent Select), and in addition to the Committees on Banking and Financial Services and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To end American subsidization of entities contributing to weapons proliferation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PROLIFERATOR DESUBSIDIZATION.**

4 (a) ANNUAL REPORT.—The Director of Central In-
5 telligence shall submit an annual report to the Members
6 of Congress specified in subsection (f) containing the in-
7 formation described in subsection (b). The first such re-
8 port shall be submitted not later than 30 days after the

1 date of the enactment of this Act and subsequent reports
2 shall be submitted annually thereafter. Each such report
3 shall be submitted in classified form.

4 (b) IDENTIFICATION OF FOREIGN ENTITIES TRANS-
5 FERRING ITEMS OR TECHNOLOGIES.—Each report shall
6 identify each covered entity which during the preceding
7 2 years transferred a controlled item to another entity for
8 use in any of the following:

9 (1) A missile project of concern (as determined
10 by the Director of Central Intelligence).

11 (2) Activities to develop, produce, stockpile, or
12 deliver chemical or biological weapons.

13 (3) Nuclear activities in countries that do not
14 maintain full scope International Atomic Energy
15 Agency safeguards or equivalent full scope safe-
16 guards.

17 (c) PROHIBITION OF SUBSIDIES FOR PROLIFERATOR
18 ENTITIES.—Subject to subsection (d), the following shall
19 be applicable with respect to each entity identified in the
20 most recent report under subsection (a):

21 (1) The Export-Import Bank of the United
22 States may not issue any guarantee, insurance, or
23 extension of credit, or approve any participation in
24 an extension of credit, that would be used to conduct
25 business with that entity.

1 (2) The Overseas Private Investment Corpora-
2 tion may not issue any insurance, reinsurance, or
3 guarantee, or provide any financing, that would be
4 used to conduct business with that entity.

5 (3) No license may be approved for the transfer
6 to that entity of—

7 (A) any controlled item;

8 (B) any other item for which a validated li-
9 cense is required under section 5, 6(l), or 6(m)
10 of the Export Administration Act of 1979 or
11 for which a validated license is required under
12 that Act pursuant to section 309(c) of the Nu-
13 clear Non-Proliferation Act of 1978;

14 (C) any other item on the United States
15 Munitions List; or

16 (D) any other item controlled for export
17 under the Atomic Energy Act of 1954.

18 (4) The Secretary of Energy may not approve
19 a request under section 57b.(2) of the Atomic En-
20 ergy Act of 1954 to engage, directly or indirectly, in
21 the production of special nuclear material by that
22 entity.

23 (d) REMOVAL OF PROHIBITION.—The prohibition
24 under subsection (c) shall cease to apply with respect to
25 an entity if the Director of Central Intelligence submits

1 a certification in writing to the Members of Congress spec-
2 ified in subsection (f) that the entity has ceased to make
3 transfers described in subsection (b) and is unlikely to re-
4 sume such transfers.

5 (e) DEFINITIONS.—For the purposes of this section:

6 (1) CONTROLLED ITEM.—(A) The term “con-
7 trolled item” means any of the following items (in-
8 cluding technology):

9 (i) Any item on the MTCR Annex.

10 (ii) An item listed for control by the Aus-
11 tralia Group.

12 (iii) Any item listed for control by the Nu-
13 clear Suppliers Group.

14 (B) AUSTRALIA GROUP.—The term “Australia
15 Group” means the multilateral regime in which the
16 United States participates that seeks to prevent the
17 proliferation of chemical and biological weapons.

18 (C) MTCR ANNEX.—The term “MTCR Annex”
19 has the meaning given that term in section 74 of the
20 Arms Export Control Act (22 U.S.C. 2797c).

21 (D) NUCLEAR SUPPLIERS’ GROUP.—The term
22 “Nuclear Suppliers’ Group” means the multilateral
23 arrangement in which the United States participates
24 whose purpose is to restrict the transfers of items

1 with relevance to the nuclear fuel cycle or nuclear
2 explosive applications.

3 (2) COVERED ENTITY.—The term “covered en-
4 tity” means a foreign person, corporation, business
5 association, partnership, society, trust, or other non-
6 governmental organization or group or any govern-
7 ment entity operating as a business. Such term in-
8 cludes any successor to any such entity.

9 (3) MISSILE PROJECT.—(A) The term “missile
10 project” means a project or facility for the design,
11 development, or manufacture of a missile.

12 (B) The term “missile” has the meaning given
13 that term in section 74 of the Arms Export Control
14 Act (22 U.S.C. 2797c).

15 (f) SPECIFIED MEMBERS OF CONGRESS.—The Mem-
16 bers of Congress referred to in this subsection are the fol-
17 lowing:

18 (1) The chairman and ranking minority party
19 member of the following committees of the House of
20 Representatives: the Committee on International Re-
21 lations, the Committee on National Security, the
22 Permanent Select Committee on Intelligence, and
23 the Committee on Appropriations.

24 (2) The chairman and ranking minority party
25 member of the following committees of the Senate:

1 the Committee on Foreign Relations, the Committee
2 on Armed Services, the Select Committee on Intel-
3 ligence, the Committee on Appropriations, and the
4 Committee on Governmental Affairs.

○